



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

Government Accountancy Sector
Office of the Director
RECEIVED

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DATE: FEB 14 2012

February 14, 2012

The Director

Government Accountancy Sector
Commission on Audit
Commonwealth Avenue, Quezon City

Sir/Madam:

Transmitted herewith are the following Reports for CY 2011:

Fund 101:

- ❖ Pre-Closing Trial Balance (December)
- ❖ Financial Statements CY2011

Fund 102:

- ❖ Pre-Closing Trial Balance (December)
- ❖ Financial Statements CY2011

Fund 151:

- ❖ Pre-Closing Trial Balance (December)
- ❖ Financial Statements CY2011

Fund 152:

- ❖ Pre-Closing Trial Balance (December)
- ❖ Financial Statements CY2011

Consolidated:

- ❖ Pre-Closing Trial Balance (December)
- ❖ Financial Statements CY2011

Very truly yours,

ALFREDO A. PALMA
Chief Accountant
Accounting Division
Financial Management Office

cc: File



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

February 14, 2012

The Director

Government Accountancy Sector
Commission on Audit
Commonwealth Avenue, Quezon City

Sir/Madam:

Transmitted herewith are the following Financial Reports for CY 2011:

Consolidated:

- ❖ Post-closing Trial Balance
- ❖ Detailed Balance Sheet
- ❖ Detailed Statement of Income and Expenses
- ❖ Statement of Cash Flows
- ❖ Notes to Financial Statements

Very truly yours,

ALFREDO A. PALMA

Al Chief Accountant
Accounting Division
Financial Management Office

COA – Resident Auditor
COA-Government Accountancy Sector (GAS)
Department of Budget and Management
File



Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

CONSOLIDATED TRIAL BALANCE
(Regular Agency Books - Fund 101, 102, 151 and 152)
As of December 31, 2011
Post-closing

PARTICULARS	ACCOUNT CODE	DEBIT	CREDIT
Cash - Collecting Officers	102	3,160,275.89	
Cash - Disbursing Officers	103	131,951,336.94	
Petty Cash Fund	104	579,912.84	
Payroll Fund	106	289,478,518.25	
Cash in Bank - Local Currency, Current Account	111	528,162,081.74	
Cash in Bank - Local Currency, Savings Account	112	107,161,202.13	
Due from Officers and Employees	123	9,796,657.34	
Due from National Treasury	131	1,657,425,919.92	
Due from NGAs	136	103,360,951.52	
Due from Other Funds	144	795,701.30	
Receivables - Disallowances/ Charges	146	1,843,161,850.88	
Advances to Officers and Employees	148	10,593,350.13	
Other Receivables	149	22,308,275.63	
Office Supplies Inventory	155	76,862,418.84	
Accountable Forms Inventory	156	235,820,792.92	
Drugs and Medicines Inventory	159	1,101,093.57	
Medical, Dental and Laboratory Supplies Inventory	160	331,530.00	
Other Supplies Inventory	165	702,985.69	
Prepaid Insurance	178	37,452.74	
Advances to Contractors	181	36,921,283.69	
Other Prepaid Expenses	185	332,637.50	
Guaranty Deposits	186	994,300.00	
Land	201	721,482.80	
Office Buildings	211	248,734,437.55	
Accumulated Depreciation - Office Buildings	311		48,231,168.83
Other Structures	215	13,144,970.92	
Accumulated Depreciation - Other Structures	315		35,425.26
Office Equipment	221	59,139,317.64	
Accumulated Depreciation - Office Equipment	321		23,685,283.23
Furniture and Fixtures	222	363,025,484.05	
Accumulated Depreciation - Furniture and Fixtures	322		208,465,284.30
IT Equipment and Software	223	180,511,869.12	
Accumulated Depreciation - IT Equipment	323		54,588,443.69
Library Books	224	2,467,663.15	
Communication Equipment	229	6,979,480.95	
Accumulated Depreciation-Communication Equipment	329		482,973.78
Firefighting Equipment and Accessories	231	2,160,727.04	
Accumulated Depreciation - Firefighting Equipment and Accessories	331		525,674.85
Medical, Dental and Laboratory Equipment	233	3,725.00	
Accumulated Depreciation - Medical, Dental and Laboratory Equipment	333		2,123.26
Military and Police Equipment	234	861,575.21	
Accumulated Depreciation - Military and Police Equipment	334		427,538.70
Technical and Scientific Equipment	236	40,772,667.98	
Accumulated Depreciation - Technical and Scientific Equipment	336		18,267,002.43
Other Machinery and Equipment	240	566,352.00	
Accumulated Depreciation - Other Machinery and Equipment	340		114,305.92
Motor Vehicles	241	22,210,244.04	
Accumulated Depreciation - Motor Vehicles	341		9,164,824.63
Other Property, Plant and Equipment	250	78,950.00	

PARTICULARS	ACCOUNT CODE	DEBIT	CREDIT
Construction in Progress	264	666,125,988.98	
Items in Transit	284	3,549,183,087.88	
Other Assets	290	1,827,237.61	
Accounts Payable	401		1,887,446,100.93
Due to BIR	412		80,771,480.53
Due to GISIS	413		24,446,068.24
Due to PAG-IBIG	414		(867,206.93)
Due to PHILHEALTH	415		4,605,377.24
Due to Other NGAs	416		3,934,025.30
Due to Other GOCCs	417		(597,325.14)
Due to LGUs	418		291.49
Due to Other Funds	424		6,412,513,750.30
Guaranty Deposits Payable	426		1,187,659.07
Performance/Bidders/Bailbonds Payable	427		579,761,631.77
Tax Refunds Payable	429		4,705,416,207.45
Other Payables	439		1,804,913,192.24
Other Deferred Credits	455		35,936,926.36
Government Equity	501		(5,683,922,436.35)
TOTAL		10,219,555,791.38	10,219,555,791.38

Certified Correct:



ALFREDO A. PALMA

AW Chief Accountant
Accounting Division
Financial Management Office



DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
Manila

Consolidated Detailed Balance Sheet
As of December 31, 2011
(Regular Agency Books - Fund 101, 102, 151 and 152)

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
<i>Cash (Note 4)</i>		
Cash - Collecting Officers	3,160,275.89	2,823,812.73
Cash - Disbursing Officers	131,951,336.94	113,313,987.20
Petty Cash Fund	579,912.84	471,412.84
Payroll Fund	289,478,518.25	366,295,791.04
Cash in Bank - Local Currency, Current Account	528,162,081.74	443,794,232.17
Cash in Bank - Local Currency, Savings Account	107,161,202.13	107,161,202.13
<i>Total Cash</i>	<u>1,060,493,327.79</u>	<u>1,033,860,438.11</u>
<i>Receivables (Note 5)</i>		
Due from Officers and Employees	9,796,657.34	10,361,508.51
Due from National Treasury	1,657,425,919.92	1,470,026,878.46
Due from NGAs	103,360,951.52	103,360,951.52
Due from Other Funds	795,701.30	795,701.30
Receivables - Disallowances/Charges	1,843,161,850.88	1,843,225,933.28
Advances to Officers and Employees	10,593,350.13	40,131,316.80
Other Receivables	22,308,275.63	22,308,275.63
<i>Total Receivables</i>	<u>3,647,442,706.72</u>	<u>3,490,210,565.50</u>
<i>Inventories (Note 6)</i>		
Office Supplies Inventory	76,862,418.84	65,113,873.55
Accountable Forms Inventory	235,820,792.92	199,157,989.24
Drugs and Medicines Inventory	1,101,093.57	777,681.07
Medical, Dental and Laboratory Supplies Inventory	331,530.00	188,935.00
Other Supplies Inventory	702,985.69	542,379.24
<i>Total Inventories</i>	<u>314,818,821.02</u>	<u>265,780,858.10</u>
<i>Prepaid Expenses (Note 7)</i>		
Prepaid Insurance	37,452.74	65,662.78
Advances to Contractors	36,921,283.69	51,911,876.46
Other Prepaid Expenses	332,637.50	332,637.50
Guaranty Deposits	994,300.00	994,300.00
<i>Total Prepaid Expenses</i>	<u>38,285,673.93</u>	<u>53,304,476.74</u>

	2011	2010
Property, Plant and Equipment (Note 8)		
Land	721,482.80	721,482.80
Office Buildings	248,734,437.55	247,308,814.09
Less: Accumulated Depreciation	(48,231,168.83)	(48,155,195.12)
	200,503,268.72	199,153,618.97
Other Structures	13,144,970.92	12,968,570.92
Less: Accumulated Depreciation	(35,425.26)	-
	13,109,545.66	12,968,570.92
Office Equipment	59,139,317.64	46,617,973.26
Less: Accumulated Depreciation	(23,685,283.23)	(19,914,439.60)
	35,454,034.41	26,703,533.66
Furniture and Fixtures	363,025,484.05	357,057,179.09
Less: Accumulated Depreciation	(208,465,284.30)	(207,751,442.83)
	154,560,199.75	149,305,736.26
IT Equipment and Software	180,511,869.12	163,485,343.29
Less: Accumulated Depreciation	(54,588,443.69)	(44,564,662.47)
	125,923,425.43	118,920,680.82
Library Books	2,467,663.15	2,467,663.15
Communication Equipment	6,979,480.95	7,046,680.95
Less: Accumulated Depreciation	(482,973.78)	(368,770.64)
	6,496,507.17	6,677,910.31
Firefighting Equipment and Accessories	2,160,727.04	1,673,617.04
Less: Accumulated Depreciation	(525,674.85)	(508,995.86)
	1,635,052.19	1,164,621.18
Medical, Dental and Laboratory Equipment	3,725.00	3,725.00
Less: Accumulated Depreciation	(2,123.26)	(2,123.26)
	1,601.74	1,601.74
Military and Police Equipment	861,575.21	919,175.21
Less: Accumulated Depreciation	(427,538.70)	(427,538.70)
	434,036.51	491,636.51
Technical and Scientific Equipment	40,772,667.98	40,772,667.98
Less: Accumulated Depreciation	(18,267,002.43)	(18,267,002.43)
	22,505,665.55	22,505,665.55
Other Machinery and Equipment	566,352.00	566,352.00
Less: Accumulated Depreciation	(114,305.92)	-
	452,046.08	566,352.00
Motor Vehicles	22,210,244.04	18,614,778.04
Less: Accumulated Depreciation	(9,164,874.63)	(8,625,265.98)
	13,045,419.41	9,989,512.06
Other Property Plant and Equipment	78,950.00	78,950.00
Less: Accumulated Depreciation	-	-
	78,950.00	78,950.00
Construction in Progress - Agency Assets (Note 9)	666,125,988.98	666,617,986.98
Items in Transit (Note 10)	3,549,183,087.88	3,306,511,634.98
<i>Property Plant And Equipment, net</i>	4,792,697,975.43	4,524,847,157.89
Other Assets (Note 11)		
Other assets	1,827,237.61	1,827,237.61
<i>Total Other Assets</i>	1,827,237.61	1,827,237.61
Total Assets	9,855,565,742.50	9,369,830,733.95

20112010**LIABILITIES AND EQUITY****Liabilities***Current Liabilities (Note 12)*

Accounts Payable	1,887,446,100.93	1,426,189,560.01
Due to BIR	80,771,480.53	54,948,452.54
Due to GSIS	24,446,068.24	24,018,773.19
Due to PAGIBIG	(867,206.93)	(1,505,552.75)
Due to PHILHEALTH	4,605,377.24	4,686,716.75
Due to NGAs	3,934,025.30	3,934,025.30
Due to Other GOCCs	(597,325.14)	(1,065,989.63)
Due to LGUs	291.49	291.49
Due to Other Funds	6,412,513,750.30	2,984,256,312.16
Guaranty Deposits Payable	1,187,659.07	3,139,970.81
Performance/Bidders/Bailbonds Payable	579,761,631.77	612,062,300.00
Tax Refunds Payable	4,705,416,207.45	8,126,974,759.27
Other Payables	1,804,913,192.24	1,498,664,325.10
<i>Total Current Liabilities</i>	<u>15,503,531,252.49</u>	<u>14,736,303,944.24</u>

Deferred Credits (Note 13)

Other Deferred Credits	35,956,926.36	35,956,926.36
<i>Total Deferred Credits</i>	<u>35,956,926.36</u>	<u>35,956,926.36</u>
<i>Total Liabilities</i>	<u>15,539,488,178.85</u>	<u>14,772,260,870.60</u>

Equity

Government Equity, January 1	<u>(5,402,430,136.65)</u>	<u>(6,012,418,798.66)</u>
Retained Earnings		
Current Operations	(17,558,907.20)	666,924,540.45
Prior Years' Adjustments	(263,933,392.50)	(56,935,878.44)
	<u>(281,492,299.70)</u>	<u>609,988,662.01</u>
Government Equity, December 31	<u>(5,683,922,436.35)</u>	<u>(5,402,430,136.65)</u>
Total Liabilities and Equity	<u><u>9,855,565,742.50</u></u>	<u><u>9,369,830,733.95</u></u>

See Accompanying Notes to Financial Statements



DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
Manila

Consolidated Detailed Statement of Income and Expenses
For the Period Ended December 31, 2011
(Regular Agency Books - Fund 101, 102, 151 and 152)

	2011	2010
Income		
Subsidy from National Government (Note 14)	5,145,270,173.90	2,486,073,374.84
Less: Reversion of Unused NCA	(199,610,715.15)	(233,892,949.22)
<i>Subsidy Income - Net</i>	4,945,659,458.75	2,252,180,425.62
Total Income	4,945,659,458.75	2,252,180,425.62
Expenses		
Personal Services		
Salaries and Wages - Regular	822,219,252.95	658,012,755.16
Salaries and Wages - Casual	2,281,971.33	193,924.18
Personnel Economic Relief Allowance	102,010,247.92	20,835,286.55
Additional Compensation	-	61,734,526.19
Representation Allowance	11,559,451.15	8,908,935.13
Transportation Allowance	10,068,763.11	8,551,867.12
Clothing and Uniform Allowance	13,901,192.60	10,510,379.00
Subsistence, Laundry and Quarter Allowance	3,891,326.98	5,983,694.65
Productivity and Incentive Allowance	4,357,000.00	2,267,000.00
Overseas Allowance	6,740,049.61	7,314,296.45
Other Bonuses and Allowances	31,050,000.00	30,219,000.00
Hazard Pay	89,539.24	271,808.52
Overtime and Night Pay	3,517,385.70	-
Cash Gift	18,027,365.23	15,531,332.16
Year End Bonus	65,610,228.77	52,338,444.00
Life and Retirement Insurance Contributions	87,860,953.67	75,237,473.75
PAG - IBIG Contributions	4,252,924.27	4,153,283.83
PHILHEALTH Contributions	6,039,560.66	4,768,127.09
ECC Contributions	4,021,734.39	3,510,794.79
Retirement Benefits - Civilian	10,248,021.55	16,195,364.27
Terminal Leave Benefits	115,672,329.89	76,667,539.16
Other Personnel Benefits	-	25,063,643.09
<i>Total Personal Services</i>	1,323,419,299.02	1,088,269,475.09
Maintenance and Other Operating Expenses		
Traveling Expenses-Local	7,866,211.80	6,252,919.60
Traveling Expenses-Foreign	5,875,080.84	5,175,131.56
Training Expenses	20,804,792.34	4,886,868.37
Office Supplies Expenses	23,474,205.34	15,875,081.65
Accountable Forms Expenses	40,750.00	16,200.00
Medical, Dental and Laboratory Supplies Expense	-	67,930.00
Gasoline, Oil and Lubricants Expenses	6,556,635.43	3,806,764.64
Other Supplies Expenses	570,637.12	629,887.05
Water Expenses	15,915,991.76	15,860,618.85
Electricity Expenses	78,062,719.20	59,547,434.03
Postage and Deliveries	1,232,110.13	1,047,719.99
Telephone Expenses - Landline	13,722,558.70	24,138,018.20

	2011	2010
Telephone Expenses - Mobile	1,311,137.20	1,464,619.93
Internet Expenses	12,637,335.60	801,502.56
Cable, Satellite, Telegraph and Radio Expenses	82,792.26	3,075.00
Membership Dues and Contributions to Organizati	35,950.00	24,550.00
Advertising Expenses	2,560,081.56	3,873,612.28
Printing and Binding Expenses	436,575.01	1,582,856.54
Rent Expenses	6,410,485.26	10,029,007.67
Representation Expenses	700,469.38	316,722.70
Transportation and Delivery Expenses	1,418,114.95	1,530,101.60
Subscription Expenses	351,771.63	387,201.44
Legal Services	159,270.00	247,740.00
Auditing Services	77,597.61	73,548.53
General Services	1,881,995.95	340,076.31
Janitorial Services	23,133,366.27	18,520,404.20
Other Professional Services	3,055,821,337.36	16,046,381.21
Repairs and Maintenance-Office Buildings	168,445,965.92	181,090,017.84
Repairs and Maintenance-Office Equipment	2,539,483.80	4,281,191.01
Repairs and Maintenance - Furniture and Fixtures	146,870.00	3,650.00
Repairs and Maintenance - IT Equipment and Software	41,226,901.09	26,327,699.75
Repairs and Maintenance-Firefighting Equipment and Accessories	3,000.00	-
Repairs and Maintenance-Other Machinery and Equipment	133,105,230.81	89,742,833.73
Repairs and Maintenance-Motor Vehicles	4,535,032.29	347,377.95
Repairs and Maintenance-Other Property, Plant and Equipment	80,157.00	240,468.92
Miscellaneous Expenses	118,760.00	307,768.09
Taxes, Duties and Licenses	209,447.51	67,785.69
Fidelity Bond Premiums	1,695,465.00	1,818,227.25
Insurance Expenses	233,884.04	107,743.16
Depreciation - Office Buildings	39,158.91	-
Depreciation - Other Structures	11,808.42	-
Depreciation - Office Equipment	1,389,901.78	-
Depreciation - Furniture and Fixtures	308,973.15	-
Depreciation - IT Equipment	4,021,175.95	-
Depreciation - Communication Equipment	45,679.74	-
Depreciation - Firefighting Equipment and Accessories	6,213.36	-
Depreciation - Other Machinery and Equipment	25,485.90	-
Depreciation - Motor Vehicles	356,947.68	-
Other Maintenance and Operating Expenses	-	4,755.35
<i>Total MOOE</i>	<u>3,639,685,515.05</u>	<u>496,885,492.65</u>
<i>Financial Expenses</i>		
Bank Charges	113,551.88	100,917.43
	<u>113,551.88</u>	<u>100,917.43</u>
<i>Total Expenses</i>	<u>4,963,218,365.95</u>	<u>1,585,255,885.17</u>
Excess of Income Over Expenses	<u>(17,558,907.20)</u>	<u>666,924,540.45</u>

See Accompanying Notes to Financial Statements



DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
Manila

Consolidated Statement of Cash Flows
For the Period Ended December 31, 2011
(Regular Agency Books - Fund 101, 102, 151 and 152)

	<u>2011</u>	<u>2010</u>
Cash Flow from Operating Activities:		
<i>Cash Inflows:</i>		
Receipts of Notice of Cash Allocation Allocation (Note 15)	5,198,971,626.00	2,586,100,900.16
Collection of Trust Fund Account	349,495,538.36	452,044,668.79
Interest on deposits	-	19,596.90
Total Cash Inflows	<u>5,548,467,164.36</u>	<u>3,038,165,165.85</u>
<i>Cash Outflows:</i>		
Cash payment of operating expenses	4,337,096,028.48	1,224,044,930.64
Cash payment of payables incurred in operations	162,242,706.86	118,738,445.96
Granting of cash advances - Payroll Fund	81,710.32	168,788,556.52
Granting of cash advances - Disbursing Officers	(301,152.02)	5,072,813.19
Granting of cash advances - Disbursing Officers- Trust	15,100,127.00	1,777,708.20
Granting of Petty Cash Fund	88,000.00	307,696.79
Advances to Contractors	(8,975,049.89)	32,151,819.55
Inter-agency transfers - Due from National Treasury	69,565.04	2,329,032.97
Remittance of withholding taxes except thru TRA	44,427,558.82	32,909,340.71
Remittance of GSIS payable	153,045,870.00	128,744,417.60
Remittance of Pag - ibig Payable	35,448,256.06	30,127,116.05
Remittance of Philhealth Payable	9,621,162.50	7,590,097.64
Refund of Cash Bond	178,804,041.16	236,514,006.49
Granting of cash advances - Officers/employees	8,283,712.05	40,991,881.99
Remittance of GOCC's payable	6,773,032.36	6,215,971.44
Remittance of Other Payables	78,978,143.21	76,000,921.20
Cash payment of trust fund accounts	194,918,894.44	214,587,686.26
Cash payment of supplies/inventories	80,966,867.40	79,708,376.80

	<u>2011</u>	<u>2010</u>
Cash Payment of Office Equipment	25,554,085.74	225,486,382.06
Reversion of Unused NCA	<u>199,610,715.15</u>	<u>233,892,949.22</u>
Total Cash Outflows	<u>5,521,834,274.68</u>	<u>2,865,980,151.28</u>
Cash Provided by Operating Activities	<u>26,632,889.68</u>	<u>172,185,014.57</u>
Add: Cash Balance, January 1	1,033,860,438.11	861,675,423.54
Adjustment - beginning balance		
Prior year adjustments		
	<u>1,033,860,438.11</u>	<u>861,675,423.54</u>
Cash Balance, End	<u>1,060,493,327.79</u>	<u>1,033,860,438.11</u>

See Accompanying Notes to Financial Statements



**DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
Manila**

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

As of December 31, 2011

REGULAR AGENCY BOOKS

1. General/Agency Profile

- 1.1 The Bureau of Customs (BOC) was created upon the passage of Act No. 430 on July 14, 1902. It was reorganized on July 1, 1947 by virtue of Executive Order (EO) No. 94 and Republic Act (R.A.) No. 51 dated July 1, 1947. It also underwent re-organization when the Ministry of Finance, now Department of Finance; was reorganized under EO No. 127 dated January 30, 1987.
- 1.2 The BOC operates primarily by means of the supervision of import and export operations, starting from the discharge of imported goods, storage, documentation, examination and appraisal, collection of duties and taxes, cargo movement, and export of products. Its service, also in part, meets the demands of airline passengers. The primary clients as well as beneficiaries are the importers, exporters and brokers who, through their day to day transactions with the Bureau have to pay the corresponding duties and taxes levied on their cargoes and spend time and effort to have such cargoes cleared from Customs custody. The BOC provides them with assistance in bringing their goods in and out of the country.

2. Basis of Financial Statement Preparation

- 2.1 The accompanying financial statements have been prepared in accordance with generally accepted state accounting principles and standards, based on the rules and regulations promulgated by COA and under the New Government Accounting System (NGAS).

3. Significant Accounting Policies

- 3.1 The agency uses accrual basis of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is recognized on accrual basis except for transactions where accrual basis is impractical or when other methods are required by law.
- 3.2 Notice of Cash Allocation (NCA) is recorded in the Regular Agency (RA) books as well as those receipts – trust fund account which the agency is authorized to use.
- 3.3 The Modified Obligation System is used to record allotment received and obligations incurred. Separate registries are maintained by the Budget Division – Financial Management Office to control allotments and obligations for each class of allotment.

- 3.4 Petty Cash Fund (PCF) account is maintained under the Imprest System. All replenishments are directly charged to the expense account. The PCF is used for emergency purchases and not to purchase regular inventory items for stock.
- 3.5 Supplies and materials purchased for inventory purposes are recorded using the Perpetual Inventory System.
- 3.6 Property, Plant and Equipment (PPE) are carried at cost less accumulated depreciation.
- 3.7 The Straight Line Method of depreciation is used in depreciating the PPE with estimated useful lives ranging from five to ten years. A residual value computed at ten percent of the cost of asset is set and depreciation starts on the second month after purchase.
- 3.8 Payable accounts are recognized and recorded in the books of accounts upon acceptance of the goods and other assets and rendition of services to the agency.
- 3.9 Taxes withheld are remitted through a Tax Remittance Advice (TRA), in compliance with DOF-DBM Joint Circular No. 1-2000A dated July 31, 2001. In case of those withheld from Trust/Fiduciary Fund disbursements, remittance is made through the preparation of check or debit memo request payable to the Bureau of Internal Revenue (BIR).
- 3.10 Accounts were reclassified to conform with the New Chart of Accounts prescribed under the NGAS which was implemented effective January 1, 2002 and this was revised/reclassified under COA Circular No. 2003 – 001 dated June 17, 2003, COA Circular No. 2004-008 dated September 20, 2004 and COA Circular No. 2006-001.

Accounts were revised/reclassified effective January 01, 2009 in conformity with COA Circular 2008-003 dated December 24, 2008.
- 3.11 The BOC's accounting system is highly centralized. All funds for expenses including personal services (PS), maintenance and other operating expenses (MOOE) and capital outlay (CO) were released to the 16 main ports and 19 sub – ports in the form of cash advance under the name of the special disbursing officers. All ports and sub-ports are submitting liquidation vouchers and collection reports to the Accounting and Revenue Accounting Division, respectively, for consolidation and recording in the RA books.

4. Cash

4.1 *Cash-Collecting Officers* account includes all collections from the following:

<u>Fund</u>	<u>Particulars</u>	<u>Amount</u>
101	- trust accounts (cash bond, auction, and P extra services), refunds of cash advances; and sale of accountable forms	3,934,328.43
151	- container security fees	(772,552.54)
152	- super green lane fees	(1,500.00)
Total		<u>₱ 3,160,275.89</u>

by the duly designated officers which are subject for deposit to National Treasury and/or authorized government depository banks.

Fund 151 negative balance includes deposits made by Mr. Sandy Tayo, collecting officer of Port of Manila which were recorded using the bank's verification letter. These collections remain unsubmitted/unreported to date.

Fund 152 negative balance pertains to over remittance of the following collecting officers:

<u>Collecting Officer</u>	<u>Port</u>	<u>Amount</u>
Abuan, Jerome	Port of Manila	₱ (500.00)
Castillo, Benjamin	NAIA	(500.00)
Simon, Rose Maria	NAIA	(500.00)
Total		<u>₱ (1,500.00)</u>

4.2 *Cash – Disbursing Officers* includes all cash advances for Port Operations (MOOE and CO) issued to the duly designated officers in the form of cash advances, which are deposited and maintained with authorized government depository banks and other private/commercial banks such as Philippine National Bank (PNB) and Philippine Veterans Bank (PVB). Subsidiary ledgers are maintained and reconciled with the Statement of Monthly Allocation and Utilization (SMAU) and bank statement submitted by the Disbursing Officers. The balance of Cash-Disbursing Officers pertains to the following:

<u>Fund</u>	<u>2011</u>	<u>2010</u>
101	₱ 130,743,586.48	₱ 113,240,722.59
151	73,205.00	73,205.00
152	1,134,545.46	59.61
Total	<u>₱ 131,951,336.94</u>	<u>₱ 113,313,987.20</u>

4.3 *Petty Cash Fund* account is used to record cash granted to Regular or Special Disbursing Officers for the creation of Petty Cash Fund. This fund shall only be used for payment of petty or miscellaneous authorized expenditures which cannot be conveniently paid by check.

4.4 **Payroll Fund** account is used to record cash advances for Personal Services and Fund transfer for payment of salaries via ATM. Cash advances are used to transfer fund from Central Office to out – ports for the remittances of GSIS, PHIC, PAGIBIG and other deductions, deposited to different Government Servicing Banks. The balance represents unliquidated payroll fund of CO and ports/sub-ports.

4.5 **Cash in Bank - Local Currency, Current Account's** subsidiary ledgers were established in January 2002. This account is used for recording collections and disbursements of all trust liability accounts such as Cash Bonds, Auction, Super Green Lane (SGL), Extra Services, Remuneration and Container Security Fee. In establishing the beginning balances for all these Trust Fund bank accounts, the bank balances per Bank Statement as of December 31, 2001 were used; duly adjusted for transactions prior to January 1, 2002 that are recorded after this date. The balance pertains to trust collections deposited at authorized government depository banks.

The balance pertains to the following:

<u>Fund</u>	<u>Particulars</u>	<u>Amount</u>
101	- trust accounts (cash bond, auction, and P extra services).	512,249,068.73
151	- container security fees	9,033,646.82
152	- super green lane fees	6,879,366.19
Total		<u>₱ 528,162,081.74</u>

4.5 **Cash in Bank - Local Currency, Savings Account** balance pertains to the following:

<u>Fund</u>	<u>Bank Account</u>	<u>Port</u>	<u>Amount</u>
101	LBP 1571-0385-59	Subic	<u>₱ 107,161,202.13</u>

5. Receivables

5.1 **Due from Officers and Employees** account is used to record amounts due from officers and employees for overpayment of salaries, excess cash advances for travel and other purposes.

The balance pertains to the following:

<u>Fund</u>	<u>2011</u>	<u>2010</u>
101	₱ 5,181,143.61	₱ 5,745,994.78
102	4,615,513.73	4,615,513.73
Total	₱ 9,796,657.34	₱ 10,361,508.51

- 5.2 **Due from National Treasury** account is used to record the amount deposited/remitted with the National Treasury thru Authorized Government Depository Banks (AGDB) for collections, which the agency is authorized to use upon the issuance of NCA.

The balance pertains to the following:

Fund	2011	2010
101	P 1,362,251,980.34	P 1,341,820,870.21
151	207,547,565.58	46,213,134.25
152	87,626,374.00	81,992,874.00
Total	P 1,657,425,919.92	P 1,470,026,878.46

- 5.3 **Due from NGAs** account is used to record the amount due from department, bureaus and other offices of the national government. The balance includes amounts due from Procurement Service recorded since June 2008.

The balance pertains to the following:

Fund	2011	2010
101	P 102,041,833.47	P 102,041,833.47
102	1,319,118.05	1,319,118.05
Total	P 103,360,951.52	P 103,360,951.52

- 5.4 **Due from Other Funds** account is used to record transactions, usually adjustments in income that should have been recorded in the Regular Agency books but instead recorded in the National Agency Books.

The balance pertains to the following:

Fund	2011	2010
101	P 795,701.30	P 795,701.30
Total	P 795,701.30	P 795,701.30

- 5.5 **Receivables-Disallowance/Charges** account is used to record amounts due from officers and employees and those of outside of government agencies for audit disallowances/charges, which has become final and executory.

The balance pertains to the following:

Fund	2011	2010
101	P 1,843,161,850.88	P 1,843,225,933.28
Total	P 1,843,161,850.88	P 1,843,225,933.28

This includes various Notice of Charges dated May 4, 1998 amounting to P1.659B, issued to MICP officers due to the alleged violation of R.A. 7651, Section 1801 (b). However, the concerned officers have already sent letters of appeal dated June 09, 1998 and July 15, 1999 addressed to the Resident Auditor as stated on 1st tracer dated February 10, 2005. Then on February 21, 2005, a letter addressed to Ms. Cora'Lea A. Dela Cruz, State Auditor V, Supervising Auditor, commenting on the said appeal is submitted by the Office of the Commissioner.

- 5.6 **Advances to Officers and Employees** account is used to record cash advances issued for travel (local and foreign), seminars, trainings, intelligence fund and other cash advances for special purposes.

The balance pertains to the following:

Fund	2011	2010
101	P 10,593,350.13	P 40,131,316.80
Total	P 10,593,350.13	P 40,131,316.80

- 5.7 **Other Receivables** account is used to record amounts due from all other debtors not falling from any other specific type of receivables. This account remained dormant for 5 to 39 years.

The balance pertains to the following:

Fund	2011	2010
101	P 22,308,275.63	P 22,308,275.63
Total	P 22,308,275.63	P 22,308,275.63

6. Inventories

- 6.1 **Office Supplies Inventory** account is used to record the value of office supplies, printed general forms and IT supplies purchased or acquired for use in the course of government

The balance pertains to the following:

Fund	2011	2010
101	P 76,862,418.84	P 65,113,873.55
Total	P 76,862,418.84	P 65,113,873.55

- 6.2 **Accountable Forms Inventory** account is used to record the value of accountable forms purchased/acquired for use/sale in the course of the government operation.

The balance pertains to the following:

Fund	2011	2010
101	P 235,820,792.92	P 199,157,989.24
Total	P 235,820,792.92	P 199,157,989.24

- 6.3 **Drugs and Medicines Inventory** account is used to record the cost of drugs and medicines purchased/received for use in the government operations

The balance pertains to the following:

Fund	2011	2010
101	P 1,101,093.57	P 777,681.07
Total	P 1,101,093.57	P 777,681.07

- 6.4 **Medical, Dental and Laboratory Supplies Inventory** account is used to record the cost of medical, dental and laboratory supplies purchased/received for use in the government operations

The balance pertains to the following:

Fund	2011	2010
101	P 331,530.00	P 188,935.00
Total	P 331,530.00	P 188,935.00

- 6.5 **Other Supplies Inventory** account is used to record the cost of supplies purchased/received for use which cannot be classified under any of the specific inventory accounts.

The balance pertains to the following:

Fund	2011	2010
101	P 702,985.69	P 542,379.24
Total	P 702,985.69	P 542,379.24

7. Prepaid Expenses

- 7.1 **Prepaid Insurance** account is used to record the advance payment for insurance premiums of government properties.

The balance pertains to the following:

Fund	2011	2010
101	P 37,452.74	P 65,662.78
Total	P 37,452.74	P 65,662.78

- 7.2 **Advances to Contractors** account is used to record the advance payment to contractors as authorized by law.

The balance pertains to the following:

Fund	2011	2010
101	P 36,921,283.69	P 51,911,876.46
Total	P 36,921,283.69	P 51,911,876.46

- 7.3 **Other Prepaid Expenses** account is used to record the amount advance for expenses not classified in any other specific prepaid accounts.

The balance pertains to the following:

Fund	2011	2010
101	P 51,787.50	P 51,787.50
102	280,850.00	280,850.00
Total	P 332,637.50	P 332,637.50

- 7.4 **Guaranty Deposits** account is used to record the amount deposited in compliance with the transaction/memorandum of agreement/contract which is subject to refund.

The balance pertains to the following:

Fund	2011	2010
101	P 994,300.00	P 994,300.00
Total	P 994,300.00	P 994,300.00

8. Property, Plant and Equipment

The Property, Plant and Equipment and the Accumulated Depreciation account consist of:

Account	Book Value	Accumulated Depreciation	Net Book Value
Office Buildings	P 248,734,437.55	P 48,231,168.83	P 200,503,268.72
Other Structures	13,144,970.92	35,425.26	13,109,545.66
Office Equipment	59,139,317.64	23,685,283.23	35,454,034.41
Furniture and Fixtures	363,025,484.05	208,465,284.30	154,560,199.75
IT Equipment and Software	180,511,869.12	54,588,443.69	125,923,425.43
Library Books	2,467,663.15	-	2,467,663.15
Communication Equipment	6,979,480.95	482,973.78	6,496,507.17
Firefighting Equipment and Accessories	2,160,727.04	525,674.85	1,635,052.19
Medical, Dental and Laboratory Equipment	861,575.21	427,538.70	434,036.51
Military, Police and Traffic Equipment	40,772,667.98	18,267,002.43	22,505,665.55
Land Transport Equipment	566,352.00	114,305.92	452,046.08
Technical and Scientific Machinery and Equipment	22,210,244.04	9,164,824.63	13,045,419.41
Construction in Progress - Agency Assets	666,125,988.98	-	666,125,988.98
Items in Transit	3,549,183,087.88	-	3,549,183,087.88
Total	P 5,155,883,866.51	P 363,987,925.62	P 4,791,895,940.89

Physical count of the Property, Plant and Equipment is on-going.

9. Construction in Progress

Construction in Progress-Agency Assets account is used to record the cost of government assets which are still under construction including software development.

The balance pertains to the following:

Fund	2011	2010
101	P 636,243,647.72	P 636,735,645.72
102	29,882,341.26	29,882,341.26
Total	P 666,125,988.98	P 666,617,986.98

Construction in Progress – Buildings and Other Structures includes dormant Other Structures account of P7,700,483.94.

10. Items in Transit

Items in Transit account is used to record the cost of equipment already obligated but not yet received or recorded.

The balance pertains to the following:

Fund	2011	2010
101	P 702,903,706.81	P 456,610,370.53
102	2,843,294,603.15	2,843,294,603.15
152	2,984,777.92	6,606,661.30
Total	P 3,549,183,087.88	P 3,306,511,634.98

Fund 101 Items In Transit includes those deliverables pertaining to E-Government Fund in the total amount of P468 million which are IT Equipment and Software in nature.

Fund 102 Items In Transit includes the unrecorded deliverables from the Non-Intrusive Container Inspection Project (NCISP).

Fund 152 Items In Transit includes the amounts obligated under the following Obligated Request (ObR):

<u>ObR#</u>	<u>Amount</u>
300-09-07-05	P 191,450.74
300-10-03-03CA	273,000.00
300-10-12-16CA	1,927,289.60
300-10-12-17CA	593,037.58
	<u>P 2,984,777.92</u>

11. Other Assets

Other Assets account is used to record the cost of unserviceable assets awaiting disposal.

The balance pertains to the following:

Fund	2011	2010
101	P 1,827,237.61	P 1,827,237.61
Total	P 1,827,237.61	P 1,827,237.61

This account remained dormant for 10 years.

12. Current Liabilities

12.1 *Accounts Payable* account is used to record the amount of indebtedness arising from government operation.

The balance pertains to the following:

Fund	2011	2010
101	P 967,448,172.92	P 498,914,144.10
102	915,516,226.89	915,516,226.89
151	1,496,923.20	1,488,870.20
152	2,984,777.92	10,270,318.82
Total	P 1,887,446,100.93	P 1,426,189,560.01

12.2 *Due to BIR* account is used to record all taxes withheld due for remittance to the Bureau of Internal Revenue either thru the issuance of Tax Remittance Advice (TRA) or by check - in case of those withheld arising from trust account disbursements. TRAs from ports/sub-ports are recorded upon submission.

The balance pertains to the following:

Fund	2011	2010
101	P 73,356,766.08	P 50,814,998.59
102	110,442.93	110,442.93
151	6,383,320.03	2,425,057.95
152	920,951.49	1,597,953.07
Total	P 80,771,480.53	P 54,948,452.54

Reconciliation and analysis of this account is still on - going.

- 12.3 *Due to GSIS* account is used to record all deductions from compensation that are subject for remittance to the Government Service Insurance System (GSIS).

The balance pertains to the following:

Fund	2011	2010
101	P 24,433,811.38	P 24,006,516.33
102	12,256.86	12,256.86
Total	P 24,446,068.24	P 24,018,773.19

Reconciliation and analysis of this account is still on – going.

- 12.4 *Due to PAG-IBIG* account is used to record all deductions from compensation that are subject for remittance to the Home Development Mutual Fund (HDMF).

The balance pertains to the following:

Fund	2011	2010
101	P (869,158.87)	P (1,507,504.69)
102	1,951.94	1,951.94
Total	P (867,206.93)	P (1,505,552.75)

Reconciliation and analysis of this account is still on – going.

- 12.5 *Due to Philhealth* account is used to record all deductions from compensation that are subject for remittance to the Philippine Health Insurance Corporation (PHIC).

The balance pertains to the following:

Fund	2011	2010
101	P 4,604,852.24	P 4,686,191.75
102	525.00	525.00
Total	P 4,605,377.24	P 4,686,716.75

Reconciliation and analysis of this account is still on – going.

- 12.6 *Due to other NGAs* account is used to record amounts received from other national government agencies for the implementation of various project/activities which is subject

The balance pertains to the following:

Fund	2011	2010
101	P 3,934,025.30	P 3,934,025.30
Total	P 3,934,025.30	P 3,934,025.30

Reconciliation and analysis of this account is still on – going.

- 12.7 **Due to other GOCCs** account is used to record all deductions from compensation that are subject for remittance to GOCCs other than the GSIS, HDMF and PHIC.

The balance pertains to the following:

Fund	2011	2010
101	P (597,325.14)	P (1,065,989.63)
Total	P (597,325.14)	P (1,065,989.63)

Reconciliation and analysis of this account is still on – going.

- 12.8 **Due to LGUs** account is used to record amount due to LGUs.

The balance pertains to the following:

Fund	2011	2010
101	P 291.49	P 291.49
Total	P 291.49	P 291.49

Reconciliation and analysis of this account is still on – going.

- 12.9 **Due to other Funds** account is used to record amount due for recording to the other books or funds. This account includes the recording of mark-up/income from sale of accountable forms and interest income from bank accounts which is due for remittance to the National Treasury.

The balance pertains to the following:

Fund	2011	2010
101	P 6,412,480,423.79	P 2,984,227,758.72
151	13,820.66	28,553.44
152	19,505.85	-
Total	P 6,412,513,750.30	P 2,984,256,312.16

- 12.10 **Guaranty Deposits Payable** account is used to record amount received to guaranty performance which is subject for refund to the depositor. This includes retention fee withheld from contractors.

The balance pertains to the following:

Fund	2011	2010
101	P 1,187,659.07	P 3,139,970.81
Total	P 1,187,659.07	P 3,139,970.81

Reconciliation and analysis of this account is still on – going.

12.11 *Performance/Bidders/Bailbond Payable* account is used to record amount received as cash bond to guaranty the performance of the terms of a contract.

The balance pertains to the following:

Fund	2011	2010
101	P 579,761,631.77	P 612,062,300.00
Total	P 579,761,631.77	P 612,062,300.00

Reconciliation and analysis of this account is still on – going.

12.12 *Tax Refunds Payable* account is used to record the issuance/application of tax credit certificates.

The balance pertains to the following:

Fund	2011	2010
101	P 4,705,416,207.45	P 8,126,974,759.27
Total	P 4,705,416,207.45	P 8,126,974,759.27

Reconciliation and analysis of this account is still on – going.

12.13 *Other Payables* account is used to record all other liabilities not falling under any of the specific payable accounts.

The balance pertains to the following:

Fund	2011	2010
101	P 1,493,636,226.45	P 1,355,656,262.43
102	997,392.35	997,392.35
151	215,794,839.20	53,159,436.08
152	94,484,734.24	88,851,234.24
Total	P 1,804,913,192.24	P 1,498,664,325.10

Reconciliation and analysis of this account is still on – going.

13. Deferred Credits

13.1 *Other Deferred Credits* includes the amount of P35,956,926.36 that are dormant for almost 10 years.

The balance pertains to the following:

Fund	2011	2010
101	P 35,956,926.36	P 35,956,926.36
Total	P 35,956,926.36	P 35,956,926.36

Reconciliation and analysis of this account is still on – going.

14. Subsidy Income from National Government (SING)

This account includes the following:

	<u>Particulars</u>		<u>Amount</u>
14.1	NCA received from DBM		
	Fund 101	P 4,926,798,744.00	
	Fund 151	106,066,382.00	
	Fund 152	41,922,437.00	
	Total NCA received		P 5,074,787,563.00
14.2	Tax Remittance Advice		
	Fund 101	P 86,142,569.29	
	Fund 152	2,413,501.23	
	Total NCA received		88,556,070.52
14.3	Refund of Unexpended Cash Advance		(106,946.77)
14.4	Cost of Accountable Forms Sold		(17,966,512.85)
			<u>P 5,145,270,173.90</u>

15. Receipt of Notice of Cash Allocation (NCA)

Breakdown is as follows:

15.1	Fund 101		
	NCA for current year	P 1,892,223,000.00	
	NCA for Terminal Leave	128,502,053.00	
	NCA for Accounts Payable	19,153,685.00	
	NCA for Trust Liabilities	124,184,063.00	
	NCA for PDIC	2,799,610,994.00	
	NCA for NSW	47,119,012.00	
	NCA for PEI	40,190,000.00	
			P 5,050,982,807.00
15.2	Fund 151		
	NCA for current year	P 94,518,487.00	
	NCA for Accounts Payable	11,547,895.00	
			106,066,382.00
15.3	Fund 152		
	NCA for current year	P 30,502,841.00	
	NCA for Accounts Payable	11,419,596.00	
			41,922,437.00
			<u>P 5,198,971,626.00</u>

15.4 NCA Reversion

Fund 101	P	191,672,672.28	
Fund 151		1,563,179.90	
Fund 152		6,374,862.97	
		<hr/>	P <u>199,610,715.15</u>

16. Statement of Allotment, Obligations and Balances

		Allotment		Obligations		Balances
Fund 101	P	5,676,182,699.86	P	5,338,620,793.39	P	337,561,906.47
Fund 151		111,164,670.99		108,768,061.64		2,396,609.35
Fund 152		30,934,777.57		30,387,866.22		546,911.35
		<hr/>		<hr/>		<hr/>
	P	5,818,282,148.42	P	5,477,776,721.25	P	340,505,427.17